



Right-of-Way Use Shared Active Transportation Vehicle License Insurance Requirements

1. Insurance. Prior to commencement of the services provided under this license, Operator shall procure and maintain for the duration of this license insurance against claims for injuries (including death) to persons and damages to property, which may arise from or in connection with the performance of the work hereunder by Operator, its agents, representatives, employees, sub-operators, or sub-Operators. Operator shall deliver to the City a certificate of insurance acceptable to the City in the amounts and form. Failure of Operator to maintain insurance during the term of the license is a material breach and may result in temporary suspension and possible termination of the license. Insurance requirements are subject to periodic review and reasonable adjustment by the City.

2. Minimum Limits of Coverage. Without limiting any obligations or liabilities, the Operator, at its sole expense, shall purchase and maintain the minimum insurance specified below with companies duly licensed or otherwise approved by the State of Arizona, Department of Insurance and with forms satisfactory to the City. Each insurer shall have a current A.M. Best Company, Inc., rating of not less than A-VII. Use of alternative insurers requires prior approval from the City.

3. Minimum Limits of Insurance. Operator shall maintain limits no less than:
 - a. Commercial General Liability. Commercial general liability insurance limit of not less than \$ 1,000,000 for each occurrence, and an umbrella or excess liability coverage with a limit of no less than \$5,000,000 for each occurrence. The general aggregate limit shall apply separately to the services under this license or the general aggregate shall be twice the required per claim limit. The policy shall be primary and include coverage for bodily injury, property damage, personal injury, products, completed operations, and blanket contractual coverage, including but not limited to the liability assumed under the indemnification provisions of this license which coverage will be at least as broad as insurance service officer policy form CG2010 11/85 edition or any replacement thereof. In the event the general liability policy is written on a "claims made" basis, coverage shall extend for two (2) years past completion and acceptance of the services as evidenced by annual certificates of insurance. Such policy shall contain a "severability of interests" provision.

 - b. Worker's Compensation. The Operator shall carry worker's compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Operator employees engaged in the performance of services in the state of Arizona. In case services are subcontracted, the Operator will require the sub-Operator to provide worker's compensation under the same conditions as for Operator.

 - c. Automobile Liability. Commercial business automobile liability insurance with a combined single life or bodily injury and property damages of not less than \$1,000,000 per accident regarding any owned, hired, and non-owned vehicles assigned to or used in performance of the Operator services. Coverage will be at least as broad as coverage Code 1 "any auto". Insurance Service Office policy form CA0001

Y87 or any replacements thereof. Such coverage shall include coverage for loading and unloading hazards.

- d. Additional Insured. The insurance coverage, except for workers compensation and professional liability coverage, required by this license, shall name the City, its agents, representatives, directors, officials, employees, and officers, as additional insureds, and shall specify that insurance afforded the Operator shall be primary insurance, and that any insurance coverage carried by the City or its employees shall be excess coverage, and not contributory coverage to that provided by the Operator.
- e. Coverage Term. All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the license is satisfactorily completed and formally accepted by the City. Failure to do so shall constitute a material breach of this license.
- f. Primary Coverage. Operator's insurance shall be primary insurance to the City, and any insurance or self-insurance maintained by City shall be excess of the Operator's insurance and shall not contribute to it.
- g. Claim Reporting. Any failure to comply with the claim reporting provisions of the policies or any breach of a policy warranty shall not affect coverage afforded under the policy to protect City.
- h. Waiver. The policies, including workers' compensation, shall contain a waiver of transfer rights of recovery (subrogation) against City, its agents, representatives, directors, officers, and employees for any claims arising out of the work or services of the Operator.
- i. Deductible/Retention. The policies may provide coverage which contains deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to City under such policies. Operator shall be solely responsible for deductible and/or self-insurance retention and City, at its option, may require Operator to secure the payment of such deductible or self-insured retentions by a surety bond or an irrevocable and unconditional letter of credit.
- j. Certificates of Insurance. Prior to commencing work or services under this license, Operator shall furnish the City with certificates of insurance, or formal endorsements as required by the license, issued by the Operator's insurer(s), as evidence that policies providing the required coverages, conditions, and limits required by this license are in full force and effect. Such certificates shall identify this license number or name and shall provide for not less than thirty (30) days advance notice of cancellation, termination, or material alteration. Such certificates shall be sent directly to: License Administrator, City of Tempe, P. O. Box 5002, Tempe, AZ 85280.
- k. Copies of Policies. City reserves the right to request and to receive, within ten (10) working days, certified copies of any or all of the above policies and/or endorsements. City of Tempe shall not be obligated, however, to review same or to advise Operator of any deficiencies in such policies and endorsements, and such receipt shall not relieve Operator from, or be deemed a waiver of, City's right to insist on strict fulfillment of Operator's obligations under this license.